

FOR IMMEDIATE RELEASE
June 24, 2002

Contact: Julie Cram
202-482-3809
Rich Mills, USTR
202-395-3230

Fact Sheet: Exclusion of Products from Safeguard on Steel Products

Background on Review of Product Exclusion Requests

- \$ On March 5, the President decided to impose temporary safeguards on imports of steel products as a result of the Section 201 investigation of steel products.
- \$ During the investigation, the Department of Commerce (“the Department”) and the Office of the United States Trade Representative (“USTR”) established procedures allowing parties to request that certain imported steel products be excluded from any safeguard remedy if they are not sufficiently available from domestic sources.
- \$ Due to the volume of such requests, the Department and USTR were able to analyze and recommend to the President to exclude only a portion of the submitted exclusion requests by March 5.
- \$ As a result, the President stated on March 5 that the Department and USTR have an additional 120 days, to July 3, 2002, to complete their consideration of pending exclusion requests.
- \$ Furthermore, the Department and USTR subsequently invited parties to submit new product exclusion requests by May 20, 2002.
- \$ On June 7, 2002, the first set of exclusions was announced resulting in the exclusion of 61 products from the safeguard remedy.
- \$ On June 17, 2002, the second set of exclusions was announced resulting in the exclusion of 47 products from the safeguard remedy.

Details of Product Exclusions Announced on June 24, 2002

- \$ Today's announcement will result in the exclusion of 116 products. These exclusions are the result of requests that were pending on March 5, 2002, as well as new requests that were filed by May 20, 2002.
- \$ The products to be excluded cover a broad range of steel products, including plate, hot-rolled products, tin mill products, cold-rolled products, stainless steel bar, corrosion resistant products, hot-rolled bar, cold finished bar, stainless steel wire, and welded pipe and tube. These are mostly specialized, niche products.
- \$ The requests to exclude these products were submitted by U.S. steel consumers, as well as foreign steel producers from a number of countries.
- \$ A complete description of the excluded products will be published in the Federal Register by July 3, 2002.

Basis for Consideration of Product Exclusion Requests

- Excluding products from the safeguard on steel products is not required by either U.S. law or our WTO obligations.
- Exclusions are being considered because it is recognized that not all steel products are commercially available in the United States. They are being granted in order to ensure that the safeguard on steel products does not harm U.S. steel consumers.
- The Department and USTR are considering product exclusion requests on a case-by-case basis.
- We will grant only those exclusions that do not undermine the purpose of the safeguard action.
- In analyzing exclusion requests, the Department and USTR are considering: (1) whether the product is currently being produced in the United States; (2) whether substitution of the product is possible; (3) whether qualification requirements affect the requestor's ability to use domestic products; (4) inventories; (5) whether the requested product is under development by a U.S. producer who will imminently be able to produce it in marketable quantities; and (6) any other relevant factors.

Procedures for Review of Product Exclusion Requests

- \$ On April 8, 2002, USTR and the Department announced procedures for considering pending pre-March 5 product exclusion requests.
- \$ Under these procedures, parties with outstanding exclusion requests were required to reconfirm their continued interest in their requests and to submit additional information by April 23. Sufficient information was received for a total of 469 product exclusion requests.
- \$ Parties objecting to those requests were then required to submit information by May 13.
- \$ Also on April 8, 2002, USTR and the Department announced procedures for considering new product exclusion requests.
- \$ Under these procedures, parties with new product exclusion requests were required to submit their requests by May 20, 2002.
- \$ Groups of new requests have been posted on USTR's website for comment on a rolling basis. The group of new requests containing those being announced today were posted for comment on June 5, 2002 and objections to that group were due on June 19, 2002. USTR and Commerce will continue to review all remaining exclusion requests from this group and other groups that have been or will be posted for comment.
- \$ Every effort is being made to process requests as soon as possible.